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CONFIDENTIAL ROME 004841

SIPDIS

E.O. 12958: DECL: 10/21/2013

TAGS: PREL MARR IT NATO EUN
SUBJECT: ITALY'S EU PRESIDENCY: OCTOBER 16-17 COUNCIL

READOUT; WAY AHEAD ON ESDP, IGC

Classified By: A/DCM TOM COUNTRYMAN FOR REASONS 1.5 (B)(D)

- 11. (C) Summary. The Italian EU Presidency is, in general, pleased with the results of the October 16-17 European Council Meeting and with progress thus far on the Intergovernmental Conference (IGC). Italy remains confident that any new EU agreements on European security architecture will not jeopardize the transatlantic alliance. Italian officials were sanguine that eventual structured cooperation on defense would be compatible with NATO; Italy will insist that its operational parameters be agreed "at 25". They reassured us that the idea for an autonomous EU planning cell at Tervuren is dead. While FM Frattini is optimistic that a political agreement to close the IGC will be ready by December, PM Berlusconi is less sure the Italian Presidency will complete the process, and one key player at the MFA would consider closure by December "a miracle." End Summary.
- (SBU) On October 21 Embassy officers fanned out to pulse officials at the Foreign Ministry and the Prime Minister's office on the October 16-17 European Council meeting and the EU's evolving defense and security architecture. A/DCM Tom Countryman and Polmiloff consulted Deputy Diplomatic Advisor to PM Berlusconi Gianpaolo Scarante and Assistant Diplomatic Advisor Francesco Talo. Poloff met with the MFA's EU European Correspondent and ESDP coordinator Sandro De Bernadin as well as Giuseppe Buccino-Grimaldi from the MFA's office of EU Institutional Affairs. Two polmil officers engaged the MFA's NATO Office Director Giovanni Brauzzi.

EU DEFENSE IDENTITY WILL BE COMPATIBLE WITH NATO

- (C) A/DCM Countryman began the discussion with the PM's diplomatic advisors by underscoring that the USG is well aware of Italy's efforts to defend the principle that the aware of Italy s efforts to defend the principle that the EU's defense identity must be fully compatible with NATO. Nevertheless, he said, there is concern about how the EU may operationalize it. A/DCM explained that concern about the EU's approach is driven by several factors, including some EU member states' apparent willingness to modify Berlin-Plus so soon after it was agreed; the possibility that during the course of intra-EU horsetrading on the IGC, a country or set of countries could bend on security matters to get something else in return; and lack of clarity about the operational modalities of structured cooperation.
- 14. (C) Scarante said he was aware of the USG's general concern, but was puzzled by the timing of the Embassy's interest in consultations. He did not think that the dynamic on security cooperation within the EU was one that should particularly trouble us. Scarante claimed there is an understanding within the EU that steps to build an EU defense identity must be compatible with NATES. identity must be compatible with NATO. Berlusconi, he pointed out, made a strong public statement to this effect at the conclusion of the October 16-17 EU Council meeting. Italy's position is that whatever the EU does on defense and security matters must add value to the Alliance.
- $\underline{\mathbf{1}}$ 5. (C) De Bernadin thought that "reproducing" language already agreed to in WEU documents could serve to defuse any conflict with NATO article 5 commitments. He explained that details on defense arrangements and structured cooperation criteria would be spelled out in a protocol or annex to the main document (as noted in Article III-213 of the current draft treaty), which the Presidency would also write. De Bernadin hoped to have a draft text of the protocol ready to share with EU FMs at the November 17 GAERC.
- 16. (C) Brauzzi acknowledged that if the French idea for a European Security and Defense Union had found its way into the Convention's constitutional draft, Italy would have been concerned -- even frightened. That eventuality could have led toward the development of a multipolar world. Now, we are on much firmer ground, he affirmed, adding that the elements are in place to move forward with an EU-NATO relationship grounded in cooperation. He rebuffed any suggestion that the EU had not been fully transparent with NATO in its pursuit of a more robust ESDP.

17. (C) De Bernadin told poloff that for all the cacophony in the press over the Council's discussion on European Security, there was little movement on national positions and no formal agreements on key issues such as structured cooperation and the form that a European planning operation might assume. What was achieved was an airing of national positions, setting the stage for progress at the November 17-18 GAERC, followed by a special meeting of heads of state proposed for November 24 (location tbd), and at a November 27-28 FM "conclave" in Naples.

STRUCTURED COOPERATION - BUT AGREED AT 25

- 18. (C) De Bernadin underlined the Presidency's view that any structured cooperation must be "inclusive and transparent" with membership criteria and operational parameters "established and agreed to at 25". Above all, for the Presidency, the relationship with NATO is "essential" insisted De Bernadin. He underlined that Article 40-2 of the current draft treaty states that EU common security "...shall respect the obligations of certain member states, which see their common defense realized in NATO, under the North Atlantic Treaty, and be compatible with the common security and defense policy established within that framework."
- 19. (C) Brauzzi, from his NATO perspective, also argued energetically—and defensively—that Article 40 of the EU's draft constitution guarantees defense of NATO's interests; Brauzzi did not expect the core principles contained therein to be altered in the final document. Scarante added that structured cooperation presupposes EU and NATO compatibility; nothing the EU is currently considering cuts against the interests of NATO, he asserted.

STRUCTURED COOPERATION A PLUS FOR THE ALLIANCE

110. (C) Talo and Brauzzi both argued that the creation of a core group in the EU willing to take on more military responsibility will be to NATO's advantage, not least because it will in all probability be composed exclusively of Alliance members (Brauzzi could not imagine Ireland or Sweden joining, for example). Italy, Talo reasoned, would have even more influence in such a group than in a future EU of 25 members. The added pressure of EU military spending targets and capabilities criteria, Brauzzi believed, would result in a synergistic effect and contribute to transatlantic security.

TERVUREN (STILL) DEAD

- 111. (C) Talo confirmed that EU leaders meeting in Brussels touched only lightly on the issue of where to house/how to structure an eventual EU planning cell. He said emphatically that Tervuren is dead. While other ideas are being studied, including the Italian proposal to set up a virtual planning cell (which Talo indicated was a Defense Ministry initiative), the issue is not ripe for a full Council-level discussion. Asked to explain Berlusconi's October 17 public comment that the EU would need a "dedicated command", Talo said the PM meant that to manage an autonomous operation the EU would require some sort of planning cell. He clarified that Berlusconi was not calling for a fixed and permanent cell, but one that could conceivably even be created on an ad hoc basis.
- 112. (C) Brauzzi, pressed on why Italy hasn't been more forthcoming in support of the UK proposal to set up an EU planning cell at SHAPE, said that Italy has nothing against such a notion. "What we cannot accept," he said, "is a prescription that mandates its establishment there." Berlin-Plus doesn't dictate where a cell should be located, he noted. SHAPE is an option, as is the idea to create a

virtual planning cell. Regardless of the modalities for establishing a planning capacity, Brauzzi argued, planners seconded to any EU cell will remain national resources and available to NATO. He viewed the development of an autonomous EU planning capability as adding flexibility to the system of transatlantic security and fully in keeping with the interests of the Alliance.

TREATY OF ROME WON'T BE ANOTHER TREATY OF NICE

discussions on the Council margins were positive. He said that FM Frattini is very optimistic that the IGC will finish during the Italian Presidency. PM Berlusconi is also hopeful, but "more prudent" than Frattini. Grimaldi, who's office is responsible for drafting treaty elements dealing with reforming the EU's institutions, told poloff that it would be "a miracle" if there is a document ready for the final Council meeting of the Italian Presidency on December 12. He said that the Presidency would only prepare the overall package for heads of state to sign after the late November FM's conclave, based on their input and ongoing discussions. "Italy will not make the same mistake France did with the Nice Treaty." The package, if presented, will be "complete, tight" and not contain every amendment and revision desired by member states, which according to Grimaldi was the case with Nice. Italy has red lines in this regard, one of which is to change the voting structure enshrined in Nice so that a small minority of the 25 cannot block decisions.

- 114. (C) Grimaldi said that his cynicism over completing the treaty by December is based on the number and weight of negotiations pending. He predicted that decision areas subject to qualified majority voting (QMV) will remain more or less unchanged, but only after much debate. Two areas he sees as critical to completing the treaty on time are agreement on numbers of commissioners and the role of and control over the proposed EU foreign minister position. Compromise will not be easy on either.
- 115. (C) Comment: Our Italian colleagues did their level best to reassure us that modalities for implementing ESDP will be compatible with NATO. Berlusconi's strong pronouncements—and the unity of top government officials—have reinforced this fundamental principle and suggest that Italy, while likely to be less forceful than the UK, will not go wobbly. We were struck by the apparent calm of our interlocutors, who evidently believe that an eventual EU Constitution will prevent some member states from straying from their Atlanticist brethren in pursuit of a more robust EU defense identity. We respect their view, but with the operational details of ESDP still in flux, we will continue to press them to ensure that it complements NATO. End Comment. SEMBLER

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2003ROME04841 - Classification: CONFIDENTIAL